

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED

APR 09 2004

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

W-01651B
Vail Water Company
~~P.O. Box 13066~~
Tucson AZ ~~85732~~

1010 N FINANCE Center Dr
Ste 200
85710

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) <u>VAIL WATER COMPANY, INC.</u>		
Mailing Address <u>1010 N. FINANCE CENTER DR., STE 200</u>		
<u>TUCSON</u>	<u>AZ</u>	<u>85710</u>
(City)	(State)	(Zip)
<u>520-571-1958</u>	<u>520-571-1961</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>1010 N. FINANCE CENTER DRIVE</u>		
<u>TUCSON</u>	<u>AZ</u>	<u>85710</u>
(City)	(State)	(Zip)
<u>520-571-1958</u>	<u>520-517-1961</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>CHRISTOPHER VOLPE</u>		<u>Vice President/Treasurer</u>	
	(Name)	(Title)	
<u>1010 N. FINANCE CENTER DRIVE</u>	<u>TUCSON</u>	<u>AZ</u>	<u>85710</u>
(Street)	(City)	(State)	(Zip)
<u>520-571-1958</u>	<u>520-571-1961</u>		
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No (Include Area Code)	
Email Address <u>KVOLPE@ESTESCO.NET</u>			
On Site Manager: <u>MICHAEL LEIDER</u>			
	(Name)		
<u>13955 E. COLOSSAL CAVE RD.</u>	<u>VAIL</u>	<u>AZ</u>	<u>85641</u>
(Street)	(City)	(State)	(Zip)
<u>520-647-3679</u>	<u>520-647-3825</u>	<u>520-730-4730</u>	
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No (Include Area Code)	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>LINDA YANEY</u>			
<u>1010 N. FINANCE CENTER DRIVE</u>	<u>TUCSON</u>	<u>AZ</u>	<u>85710</u>
(Street)	(City)	(State)	(Zip)
<u>520-571-1958</u>	<u>520-571-1961</u>		
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No (Include Area Code)	
Email Address <u>LYANEY@ESTESCO.NET</u>			
Attorney: <u>RICHARD SALLQUIST</u>			
(Name)			
<u>2525 E. ARIZONA BILTMORE CIRCLE SUITE 117</u>	<u>PHOENIX</u>	<u>AZ</u>	<u>85016</u>
(Street)	(City)	(State)	(Zip)
<u>602-224-9222</u>	<u>602-224-9366</u>		
Telephone No (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:	
<input type="checkbox"/> Sole Proprietor (S) <input type="checkbox"/> Partnership (P) <input type="checkbox"/> Bankruptcy (B) <input type="checkbox"/> Receivership (R) <input type="checkbox"/> Other (Describe) _____	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) <input checked="" type="checkbox"/> Subchapter S Corporation (Z) <input type="checkbox"/> Association/Co op (A) <input type="checkbox"/> Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:		
<input type="checkbox"/> APACHE <input type="checkbox"/> GILA <input type="checkbox"/> LA PAZ <input type="checkbox"/> NAVAJO <input type="checkbox"/> SANTA CRUZ <input type="checkbox"/> STATEWIDE	<input type="checkbox"/> COCHISE <input type="checkbox"/> GRAHAM <input type="checkbox"/> MARICOPA <input checked="" type="checkbox"/> PIMA <input type="checkbox"/> YAVAPAI	<input type="checkbox"/> COCONINO <input type="checkbox"/> GREENLEE <input type="checkbox"/> MOHAVE <input type="checkbox"/> PINAL <input type="checkbox"/> YUMA

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			-
302	Franchises			-
303	Land and Land Rights	11,000		11,000
304	Structures and Improvements	102,804	43,933	58,871
307	Wells and Springs	564,177	169,697	394,480
311	Pumping Equipment	906,497	183,047	723,450
320	Water Treatment Equipment			-
330	Distribution Reservoirs and Standpipes	781,582	108,136	673,446
331	Transmissions and Distribution Mains	5,235,515	671,388	4,564,127
333	Services	12,451	12,451	-
334	Meters and Meter Installations	379,887	67,926	311,961
335	Hydrants			-
336	Backflow Prevention Devices			-
339	Other Plant and Misc. Equipment			-
340	Office Furniture and Equipment	32,749	8,362	24,387
341	Transportation Equipment	61,048	41,563	19,485
343	Tools, Shop and Garage Equipment			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	TOTALS	8,087,710	1,306,503	6,781,207

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			-
302	Franchises			-
303	Land and Land Rights	11,000		-
304	Structures and Improvements	102,804	2.80%	2,879
307	Wells and Springs	564,177	3.20%	18,054
311	Pumping Equipment	906,497	3.60%	32,634
320	Water Treatment Equipment			-
330	Distribution Reserviors and Standpipes	781,582	2.00%	15,632
331	Transmissions and Distribution Mains	5,235,515	2.00%	104,710
333	Services	12,451	3.30%	276
334	Meters and Meter Installations	379,887	3.60%	13,676
335	Hydrants			-
336	Backflow Prevention Devices			-
339	Other Plant and Misc. Equipment			-
340	Office Furniture and Equipment	32,749	6.80%	2,227
341	Transportation Equipment	61,048	13.30%	8,119
343	Tools, Shop and Garage Equipment			-
344	Laboratory Equipment			-
345	Power Operated Equipment			-
346	Communication Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant			-
	TOTALS	8,087,710		198,206

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 569,675	\$ 576,862
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	84,489	124,438
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	22,864	19,388
174	Miscellaneous Current and Accrued Assets	47,252	38,535
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 724,280	\$ 759,223
	FIXED ASSETS		
101	Utility Plant in Service	\$ 6,530,538	\$ 8,087,710
103	Property Held for Future Use		
105	Construction Work in Progress	51,011	14,039
108	Accumulated Depreciation - Utility Plant	(1,108,297)	(1,306,503)
121	Non-Utility Property	465,829	779,482
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 5,939,081	\$ 7,574,728
	TOTAL ASSETS	\$ 6,663,361	\$ 8,333,951

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 53,170	\$ 57,539
232	Notes Payable (Current Portion)	40,000	24,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	361,424	422,582
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	127,509	177,408
	TOTAL CURRENT LIABILITIES	\$ 582,103	\$ 681,529
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 252,794	\$ 495,175
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	3,406,849	4,263,359
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 3,406,849	\$ 4,263,359
	TOTAL LIABILITIES	\$ 4,241,746	\$ 5,440,063
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 638,099	\$ 638,099
211	Paid in Capital in Excess of Par Value	2,267,825	2,267,825
215	Retained Earnings	(484,309)	(12,035)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 2,421,615	\$ 2,893,889
	TOTAL LIABILITIES AND CAPITAL	\$ 6,663,361	\$ 8,333,951

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
	OPERATING REVENUES		
461	Metered Water Revenue	\$ 822,934	\$ 1,041,620
460	Unmetered Water Revenue		
474	Other Water Revenues	296,222	442,716
	TOTAL REVENUES	\$ 1,119,156	\$ 1,484,336
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 87,359	\$ 162,598
610	Purchased Water	33,798	59,343
615	Purchased Power	87,439	108,286
618	Chemicals		78
620	Repairs and Maintenance	24,833	27,614
621	Office Supplies and Expense	33,745	47,183
630	Outside Services	205,523	268,529
635	Water Testing	1,308	1,730
641	Rents	13,000	18,152
650	Transportation Expenses	(554)	12,114
657	Insurance - General Liability	16,556	27,171
659	Insurance - Health and Life	7,497	8,943
666	Regulatory Commission Expense - Rate Case	24,883	17,892
675	Miscellaneous Expense	66,883	26,667
403	Depreciation Expense	156,768	198,206
408	Taxes Other Than Income		
408.11	Property Taxes	28,386	23,131
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 787,424	\$ 1,007,637
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 4,703	\$ 6,289
421	Non-Utility Income	74,297	156,056
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(13,527)	(16,770)
	TOTAL OTHER INCOME/EXPENSE	\$ 65,473	\$ 145,575
	NET INCOME/(LOSS)	\$ 397,205	\$ 622,274

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	8/18/2000			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan	Construction			
Dollar Amount Issued	\$ 644,000			
Amount Outstanding	\$ 519,175			
Date of Maturity	3/1/2018			
Interest Rate	6.26			
Current Year Interest	\$ 9,138			
Current Year Principal	\$ 34,273			

Meter Deposit Balance at Test Year End

\$ 422,582

Meter Deposits Refunded During the Test Year

\$ 60,000

COMPANY NAME	Vail Water Company	2003
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WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
10170	175	2500	340/614'	16" 12"	8"	1970
10181	175	2500	7-11'	14"	8"	1981
10181	175	2500	8-11'	14"	10"	1981

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
10170		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
175	2	105	
175	1		
175	1		
175	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
3000	1	3000	1 Well 8
5000	2	5000	2 1-2 zone
2500	1	2500	1 1 zone
5000	1	5000	2 3-5 zone
		5000	1 Well 8
		2500	1 Secondary
		2500	1 Secondary
		5000	1 1 zone
		5000	2 3-5 zone

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		2761
8		17,513
10		
12		70,450

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1477
3/4	2
1	11
1 1/2	11
2	23
Comp. 3	12
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
	1530

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

N/A

OTHER:

N/A

COMPANY NAME	Vail Water Company	2003
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WATER USE DATA SHEET BY MONTH FOR CALENDER YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	1,320	8,899	14,223
FEBRUARY	1,348	10,749	13,776
MARCH	1,346	18,323	19,217
APRIL	1,359	20,221	27,717
MAY	1,391	11,200	19,199
JUNE	1,459	19,785	18,117
JULY	1,470	22,284	23,131
AUGUST	1,488	16,391	24,692
SEPTEMBER	1,496	14,266	16,421
OCTOBER	1,515	14,277	16,115
NOVEMBER	1,540	12,810	7,901
DECEMBER	1,536	11,191	4,853
TOTAL		180,396	195,317

Is the Water Utility located in an ADWR Active Management Area (AMA)? *CAP recovered by 3rd party 52,014 gal*
232,910 *247,331*

(☒) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (☒) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well in your system.

(If more than one well, please list each separately)

_____	Well 1 mg/l
_____	Well 2
_____	Well 3
_____	Well 4
_____	Well 5
_____	Well 6
_____	Well 7
_____	Well 8
_____	Well 9

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Company Name VAIL WATER COMPANY, INC. YEAR ENDING 12/31/03

PROPERTY TAXES

Amount of actual property taxes paid during Calender Year 2003 \$ 36,882.66

Attach to this annual report proof (e.g. property tax bills stamped "paid n full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calender year.

If no property taxes paid, explain reasons below:

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2002 REAL ESTATE TAXES

STATE CODE NUMBER

907-52-0000

TOTAL TAX

\$26,844.56

DATE PAID

04/23/2003

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$13,422.28
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$13,422.28
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BALANCE DUE	\$0.00
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LEGAL PROPERTY ADDRESS

TOTAL VALUE OF OPERATING PROPERTY
GROUP NO 075
(ACC 0053195-8)
A€
A€

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

VAIL WATER CO
CHRISTOPHER VOLPE/MANAGER
5151 E BROADWAY
SUITE 200
TUCSON AZ 85711

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2002 REAL ESTATE TAXES

STATE CODE NUMBER

305-04-001L

TOTAL TAX

\$1,039.44

DATE PAID

04/23/2003

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$519.72
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$519.72
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BALANCE DUE	\$0.00
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LEGAL PROPERTY ADDRESS

IRR PCL SW4 SE4 LYG N OF & ADJ TO
COLOSSAL CAVE RD (WELLSITE) .50 AC S
(RD 8396/840)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

VAIL WATER CO
PO BOX 13066
TUCSON AZ 85732

PIMA COUNTY TREASURER'S OFFICE

TAX PAYMENT RECEIPT

Paid Date 10/28/2003

Batch Number I031028105

Paid by Code 01

VAIL WATER COMPANY
PO BOX 13066
TUCSON AZ 85732-3066

Method Amount

CK \$22,940.66

Total Amount Paid \$22,940.66

Total Tax Amount Paid \$22,940.66

Total Interest Amount Paid \$0.00

Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
30504001L	\$486.70	\$0.00	\$486.70	FIRST HALF	IRR PCL SW4 SE4 LYG N OF & ADJ TO COLOSSAL CAVE RD (WELLSITE) .50 AC SEC 10-16-16 (RD 8396/840)
30504001V	\$12.86	\$0.00	\$12.86	FULL YEAR	CTRL PTN W2 NW4 .28 AC SEC 10-16-16 (11536/1623)
30504001W	\$13.92	\$0.00	\$13.92	FULL YEAR	CTRL PTN S2 NE4 .20 AC SEC 10-16-16
30506004D	\$13.92	\$0.00	\$13.92	FULL YEAR	N CTRL PTN S2 SE4 .15 AC SEC 4-16-16
30508001D	\$13.92	\$0.00	\$13.92	FULL YEAR	S80' N131.31' W80' E1147.41' NE4 .15 AC SEC 8-16-16
305110280	\$24.36	\$0.00	\$24.36	FULL YEAR	WELLSITE BNG W116.16' OF E1230.76' OF S125' OF SE4 SE4 .33 AC SEC 14-16-16 (ACC 0053195-8) TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 075
30512008B	\$18.48	\$0.00	\$18.48	FULL YEAR	SUCCESS 100' X 100' WELLSITE BLK 1 TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 075 (ACC 0053195-8)
305140110	\$18.48	\$0.00	\$18.48	FULL YEAR	TUCSON PARK NO 1 WELLSITE ADJ TO NW LINE OF LOT 2 TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER GROUP NO 075 (ACC 0053195-8)
30520001C	\$49.30	\$0.00	\$49.30	FULL YEAR	RINCON VIEW ESTATES S125' N140' LOT 1
305392090	\$55.20	\$0.00	\$55.20	FULL YEAR	N100' OF W100' OF E2367' OF NE4 .23 AC SEC 10-17-16 (FORMERLY 305-39-030K) TOTAL VALUE OF OPERATING PROPERTY-GROUP 075 (ACC 0053195-8) (FORMERLY 305-39-0550)
305900930	\$13.92	\$0.00	\$13.92	FULL YEAR	VAIL RANCH LOT 0061
907520000	\$22,219.60	\$0.00	<u>\$22,219.60</u>	FIRST HALF	TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 075 (ACC 0053195-8)

22,940.66

Company Name VAIL WATER COMPANY, INC. YEAR ENDING 12/31/03

INCOME TAXES

RECEIVED

APR 09 2004

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$0</u>
Estimated or Actual Federal Tax Liability	<u>\$0</u>
State Taxable Income Reported	<u>\$0</u>
Estimated or Actual State Tax Liability	<u>\$0</u>

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

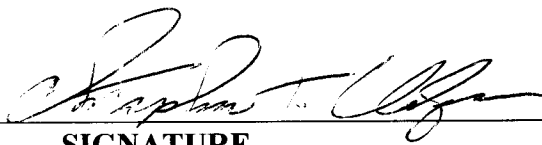
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/6/04

DATE

CHRISTOPHER T. VOLPE

PRINTED NAME

VICE PRESIDENT

TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

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APR 09 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME <u>VAIL WATER COMPANY</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,555,477

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 11,141

IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

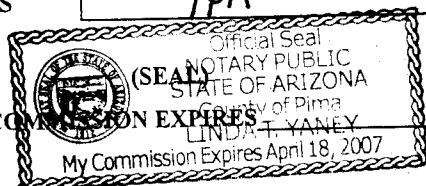
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7th

DAY OF



Stephen T. Cliffe
SIGNATURE OF OWNER OR OFFICIAL
520-571-1958
TELEPHONE NUMBER

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u> 20 <u>04</u>

Linda T. Yaney
SIGNATURE OF NOTARY PUBLIC

VAIL WATER COMPANY
ACC ANNUAL REPORT - 2003
SUPPLEMENT

Gross Operating Revenue \$ 1,484,336
(per Page 7)

Sales Taxes Paid \$ 71,141

\$ 1,555,477

Page 7 Operating Revenue does not include sales taxes

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 09 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

(COUNTY NAME) <u>Pima</u>	
NAME (OWNER OR OFFICIAL)	TITLE
COMPANY NAME <u>VAIL WATER COMPANY</u>	

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

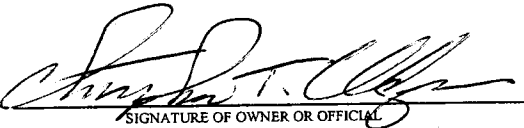
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>35,600</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 35,600
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

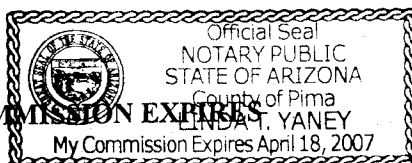

SIGNATURE OF OWNER OR OFFICIAL

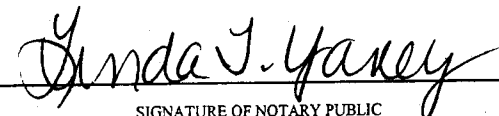
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 7th DAY OF

NOTARY PUBLIC NAME <u>Linda T. Yaney</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	20 <u>04</u>

(SEAL)

MY COMMISSION EXPIRES



X 
SIGNATURE OF NOTARY PUBLIC